

Message Text

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ACTION SS-15

INFO OCT-01 ARA-06 ISO-00 L-03 SP-02 TRSE-00 NSC-05

CIAE-00 INR-07 NSAE-00 COME-00 SSO-00 NSCE-00 INRE-00

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 975

C O N F I D E N T I A L LIMA 6427

FOR UNDER SECRETARY MAW; ARA - ASST SECY SHLAUDEMANN;
L/ARA - MR. KOZAK; L/374 - MR. GANTZ; S/P - DR. EINAUDI;
TREASURY - MR. MARESCA

EO 11652: GDS

TAGS: BDIS, EINV, EIND, EMIN, PFOR, PE

SUBJ: MARCONA - MINISTER ARIAS SEES EARLY SOLUTION

REF: LIMA 6404, LIMA 6419

1. DURING COURSE MEETING WITH MINISTER OF COMMERCE ARIAS
EARLY AFTERNOON JULY 14 (SEPTELS), ECONOMIC COUNSELOR ASKED
ABOUT PROGRESS OF GOP MARCONA COMMISSION. ARIAS REPLIED
THAT COMMISSION HAS BEEN MEETING INTENSIVELY IN RECENT DAYS
WITH THE HOPE THAT A FINAL PROPOSAL COULD BE PRESENTED TO
UNDER SECRETARY MAW THROUGH AMB. GARCIA BEDOYA IN WASHINGTON
WITHIN NEXT DAY OR TWO. ARIAS EXPRESSED HOPE THAT
COUNTER-PROPOSAL WOULD ENABLE UNDER SECRETARY AND MARCONA
TEAM TO COME DOWN, PERHAPS AS EARLY AS JULY 17-18, FOR
FINAL TOUCHES ON SETTLEMENT AND SIGNATURE.

2. PRINCIPAL POINTS MADE BY MINISTER ARIAS DURING CON-
VERSATION WERE AS FOLLOWS: (1) PERU HAS LISTENED CARE-
FULLY TO ADVICE FROM IMF AND COMMERCIAL BANKS REGARDING
THE ECONOMIC MEASURES NEEDED TO STABILIZE ECONOMY AND
SOLVE CURRENT CRISIS AND HAS, AT VERY GREAT POLITICAL
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RISK, ADOPTED THESE MEASURES; (2) THUS, PERU HAS EVERY

REASON TO EXPECT THAT U.S. BANKS WILL DURING WEEK OF
JULY 19 APPROVE \$300-400 MILLION LOAN PACKAGE -- FAILURE
TO DO SO WOULD BE SURPRISING, AND WOULD BE SEEN BY
PERUVIANS AS SHOW OF BAD FAITH; (3) MARCONA SETTLEMENT
MADE IN NEXT FEW DAYS, THEN, WOULD BE BASED ON GOP
PLEDGE TO PAY \$33 MILLION TO MARCONA OUT OF LOAN PACKAGE
NOW IN FINAL STAGES OF NEGOTIATION. THIS PAYMENT COULD
BE MADE DIRECTLY TO MARCONA FROM U.S. BANKS WITHOUT
PERU EVER SEEING THE MONEY, GEN. ARIAS STRESSED.
REMAINING POINTS, SUCH AS \$3.6 MILLION ISSUE AND FREIGHT
AND SALES CONTRACTS PROBLEMS, ARE CAPABLE OF EASY SOLUTION,
MINISTER ARIAS CONCLUDED.
DEAN

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